

**ITEM 2**  
**MEETING MINUTES**

**December 9, 2010**  
**January 13, 2011**

# DRAFT

## MINUTES OF THE REGULAR MEETING OF THE CHULA VISTA REDEVELOPMENT CORPORATION (CVRC)

Date: December 09, 2010

4:00 P.M.

The Regular Meeting of the Chula Vista Redevelopment Corporation was called to order at 4:03 p.m. in the Council Chambers, located in City Hall, 276 Fourth Avenue, Chula Vista, California

### CVRC ROLL CALL

PRESENT: Directors Desrochers, Munoz, Paul, Salas, and Chair Lewis

ABSENT: Director Flores

ALSO PRESENT: Deputy City Manager/Development Services Director Halbert, Deputy City Attorney Shirey, Redevelopment Manager Crockett, Planning Manager Ladiana, Assistant Director of Finance Davis, Housing Manager Mills, Senior Planner Tapia, Accountant Tiangco and Senior Administrative Secretary Laughlin

### PLEDGE OF ALLEGIANCE, MOMENT OF SILENCE

### CONSENT CALENDAR

#### 1. WRITTEN COMMUNICATION

Letter of Resignation submitted by Director Reyes – announced at CVRC meeting of October 14<sup>th</sup> and dated November 3<sup>rd</sup>, 2010.

#### 2. APPROVAL OF MINUTES

Staff Recommendation: Approve the minutes of the Regular Meeting of October 14, 2010

ACTION: Director Desrochers moved approval of the Consent Calendar. Director Muñoz seconded the motion and it carried 3-0-2-1 with Directors Paul and Salas abstaining and Director Flores absent.

# DRAFT

## PUBLIC COMMENTS

There were none

## PUBLIC HEARINGS

### 3. Amendment to Development Agreement with Rohr, Inc. (Goodrich)

The original Development Agreement was approved on November 16, 1999 pursuant to Ordinance No. 2800 and is between the City of Chula Vista ("City"), the Chula Vista Redevelopment Agency ("Agency") and Rohr, Incorporated (DBA as BF Goodrich Aerospace Aerostructures Group or "Goodrich"). The original agreement provided assurances to Goodrich that they could continue with their operations and development in accordance with existing rules, regulations and existing policies of the City and Agency. The proposed amendment to the development agreement will allow Goodrich to extend the original term of the agreement by ten years, to and including December 30, 2038.

Director Halbert said that staff had no formal presentation or report as it had been presented to the Board previously.

Chair Lewis asked if there were provisions beyond the year 2038. Director Halbert advised that the contract was to that date and if an extension was wanted, they would go through the same process again.

Director Salas wanted an explanation of the city's efforts in the collection of fees being deleted from the agreement. Director Halbert gave the explanation and a vote was taken.

ACTION: Director Salas moved to adopt CVRC Resolution No. 2010-020 heading read, text waived:

#### CVRC RESOLUTION NO. 2010-020

RESOLUTION OF THE CHULA VISTA REDEVELOPMENT CORPORATION  
RECOMMENDING THAT THE CITY COUNCIL OF THE CITY OF CHULA  
VISTA AND CHULA VISTA REDEVELOPMENT AGENCY APPROVE AN  
AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE  
CITY OF CHULA VISTA, REDEVELOPMENT AGENCY OF THE CITY OF  
CHULA VISTA, AND ROHR, INC., OPERATING AS GOODRICH  
AEROSTRUCTURES, RELATED TO PROPERTY BOUNDED BY BAY  
BOULEVARD TO THE EAST, THE REALIGNED MARINA PARKWAY TO  
THE WEST, F STREET/ LAGOON DRIVE TO THE NORTH, AND THE  
PROPOSED EXTENSION OF H STREET TO THE SOUTH

Director Muñoz seconded the motion and it carried 5-0-0-1, with Director Flores absent

# DRAFT

## ACTION ITEMS

4. Redevelopment Year-End Reports for FY 2009/2010 and Housing Fund Planning and Administrative Costs

The Chula Vista Redevelopment Agency is required to prepare an Annual Report for consideration by its Board per California State Health and Safety Code Section 33080.1. The reports provide detailed information regarding the activities of the Redevelopment Agency, and are required to be presented to the legislative body at this time.

Additionally, California State Health and Safety Code Section 33334.3(d) and (e) authorize agencies to charge costs of planning and administering affordable housing programs to their Low and Moderate Income Housing Fund (Housing Fund). Agencies must annually determine that planning and administrative charges are necessary for the production, improvement, or preservation of low and moderate income housing. The findings are presented in this report for approval.

The questions from the Board included 1) is the \$560,000 offset by projects or a source of funding, 2) what percentage is administrative fees, the possibility of showing a reduction of Redevelopment Agency debt by the amount loaned to the City for completion of city buildings (we're being charged interest on the loan amount as a debt).

Housing Manager Mills gave the Board statistics on, and answers about, the questions pertaining to administrative fees and the other project and funding sources. There was extensive discussion regarding the debts of the Redevelopment Agency to the City and whether we should, again, request a reduction of the debt by the amount loaned to the city for completion of city buildings. Concern was regarding if the debt should be recalled by the City in harder economic times and the interest the Agency is being charged on the debt.

Director Halbert and Manager Crockett spoke as to the City recognizing the debt and the loans the CVRC has given to the City. Also addressed was the reduction of the debt and overhead over the last few years and the changes that have been made in the last few years. It was agreed that the City Council was aware of the loans, but that they had chosen not to address the reduction at this time.

ACTION: Director Desrochers moved to adopt CVRC Resolution No. 2010-021 heading read, text waived:

### CVRC RESOLUTION NO. 2010-021

RESOLUTION OF THE CHULA VISTA REDEVELOPMENT  
CORPORATION RECOMMENDING THAT THE REDEVELOPMENT

# DRAFT

## AGENCY OF THE CITY OF CHULA VISTA ACCEPT THE 2009/2010 FISCAL YEAR END FINANCIAL REPORTS

Director Muñoz seconded the motion and it carried 5-0-0-1, with Director Flores absent.

### 5. Amendments to the City's Design Manual

On November 15, 2010, the proposed Sustainable Design Guidelines were presented to the DRB. The DRB voted 5-0 to recommend to the City Council approval of the proposed Amendments to the Design Manual.

Staff is presenting the final draft amendments to the Design Manual for the CVRC's consideration and recommendation to the City Council. It is expected that the City Council will consider the proposed amendments to the Design Manual in January 2011.

Sr. Planer Tapia gave a PowerPoint presentation that related to the City's Design Manual and the amendments that are being proposed.

There was a period of questions and answers that followed the presentation. The next step is to approve the resolution to forward this item to the City Council.

ACTION: Director Paul moved to adopt CVRC Resolution No. 2010-022 heading read, text waived:

### CVRC RESOLUTION NO. 2010-022

RESOLUTION OF THE CHULA VISTA REDEVELOPMENT  
CORPORATION RECOMMENDING THAT THE REDEVELOPMENT  
AGENCY OF THE CITY OF CHULA VISTA ACCEPT THE 2009/2010  
FISCAL YEAR END FINANCIAL REPORTS

Director Salas seconded the motion and it carried 5-0-0-1, with Director Flores absent

### 6. CHIEF EXECUTIVE OFFICER'S REPORTS

The City is continuing to work with the Port District on financing the Bayfront Project. The fee suspension within the project areas is going to Council next week and Mr. Halbert asked Manager Crockett to comment on the Residential Pilot Program.

Manager Crockett said that there was a meeting scheduled on Monday, December 13<sup>th</sup> with residents to go over the block by block program. He gave a brief explanation of what the program was, how it worked and that it was a forgivable loan if people remained in their homes

# DRAFT

for a specific number of years. He is hopeful that all of the funds will be expended by the end of the year, we will have results to show the Board and we will be able to re-appropriate funds for next year.

There was discussion and several questions from the board regarding the loans, the area, etc. and Manager Crockett provided suitable answers to the Board. The meeting on Monday is at Ciao Restaurant and is open to any Board member who would like to participate.

## 7. CHAIRMAN'S REPORTS

Chair Lewis reminded the board of Director Reyes' resignation and asked that all Board members to think of a replacement who would be suitable and give that information to Eric. He then asked Mr. Halbert on a status on some of the projects that are being worked on. Mr. Halbert reported on the E Street Workplan that is going to Council next week, still discussing with the Sweetwater Union High School Board their existing properties as well as future opportunities for their district offices.

## 8. DIRECTORS' COMMENTS

Director Paul advised the Board that the State Planning Commission is taking testimony on the exchange of the Pacifica Properties and wanted to know if the City was having representation. Director Halbert advised the Board that the Mayor and Councilmember Bensoussan will be testifying. Director Paul has been asked, as a member of South County Economic Council to attend and he wanted to be sure that it would not be a conflict.

Director Salas commented on the material contained in the resignation letter of Director Reyes and commented that he thought the contents were "right on". He used the example of using schools as an extenuation of the recreational programs and mixed-use.

Chair Lewis added that he agreed with some of Mr. Reyes' reflections in as much as we don't see the tangible results or efforts and it is easy to get impatient. We need to think outside the box and the Boardmembers need to be stimulated in regards to donating their time when they are used to seeing results more quickly. We need to keep moving forward.

Director Desrochers commented that he would like to see a meeting with TAVA to see what could be done about blocking off one side of Third Avenue during the Farmer's Market. He cited examples of other cities and their success on "Farmer's Market Night". Director Desrochers also told of his recent experience at a Housing workshop (with Mr. Munoz) when the short list of affordable housing developers was developed. He thought the staff was very innovative and that the Board should expect some projects to come out of it.

Chair Lewis, in closing, thanked staff for their hard work and excellence during the past year. We've had some real challenges in the past couple of years and the housing market looks like it will be touchy for the next 3-5 years. It's a buyer's market and now is the time. The time for redevelopment to strike is now. We need to get the development started before the market goes the other way. He then wished everyone a Happy and Prosperous New Year.

# DRAFT

## ADJOURNMENT

At 5:18 p.m., Chair Lewis adjourned the meeting to the Regular Meeting of January 13, 2011 at 4:00 p.m.

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Eric Crockett, Secretary

# DRAFT

## MINUTES OF THE REGULAR MEETING OF THE CHULA VISTA REDEVELOPMENT CORPORATION (CVRC)

Date: January 13, 2011

4:00 P.M.

The Regular Meeting of the Chula Vista Redevelopment Corporation was called to order at 4:01 p.m. in the Council Chambers, located in City Hall, 276 Fourth Avenue, Chula Vista, California

### CVRC ROLL CALL

PRESENT: Directors Desrochers, Munoz, Paul, Salas, and Chair Lewis

ABSENT: Directors: None

ALSO PRESENT: Deputy City Manager/Development Services Director Halbert, Deputy City Attorney Shirey, Redevelopment Manager Crockett, Senior Administrative Secretary Laughlin, Elizabeth Hall – Best, Best & Krieger and Ken Lee, RSG

### PLEDGE OF ALLEGIANCE, MOMENT OF SILENCE

#### I. PUBLIC COMMENTS

There were none

#### II. INTRODUCTION OF NEW CITY ATTORNEY

Glen R. Googins

#### III. DISCUSSION

Governor Brown's Budget Proposal to eliminate Redevelopment Agencies

Ken Lee, RSG and Elizabeth Hull, Best Best & Krieger gave a presentation accompanied by a PowerPoint slide show regarding what is known about the Governor's proposal.

An overview outline is contained below:

- 1) An Overview of the Governor's January 10<sup>th</sup> proposed budget which would eliminate all Redevelopment Agencies as of July 1, 2011.



# DRAFT

- 2) News from Around the State
- 3) What can CVRC do?
- 4) The future of economic development & housing.

- 1) The Governor's Proposal

- High level
- Doesn't define key terms
- Urgency legislation
  - Effective upon Governor's signature
  - Requires 2/3 approval of Assembly and Senate

In place of redevelopment: new financing mechanisms for economic development

Constitutional amendment would require 55% voter approval for tax increases and local revenue bonds

- 2) News from Around the State – what Redevelopment Agencies are doing now – yes or no?

- City-RDA cooperative agreements for public improvements
- Development deals
- Land Purchases
- Bonds

#### Unknowns

- Would constitutional amendments be required?
- What happens to RDA debts & contractual obligations?
- Who are the successor local agencies?
- Would they use County or City local housing authorities?
- RDA assets: what happens to them? e.g. bond proceeds, property and how are they handled?

# DRAFT

## Potential Impacts in Chula Vista

- Bayfront Master Plan
- Affordable Housing
- Public Facilities & Infrastructure
- Assets: 31 parcels, 50 acres

## What are they saying? (LAO)

- There is no reliable evidence that redevelopment agencies improve overall economic development in California.
- Redevelopment diverts property taxes from K-14 education and other local programs.
- State Controller is auditing 18 RDA – high level audits

## Advice from CRA

- Inventory all debts and contractual obligations and insure that legal instruments are in place.
- Don't make bad deals
- Become Advocates

### 3) What can CVRC do?

- Be advocates
- Build coalitions
- Talk to your neighbors
- Share information and ideas
- Use existing networks and forums
- Dispel misinformation and myths.
- Get the facts out and publicize our accomplishments
  - Jobs created
  - Affordable housing built
  - Pass throughs
  - Public facilities
  - Sales tax

### 4 The Future of Economic Development & Housing

- What would be the city's role?
- What would be the new role for the CVRC?
- What would be the private sector's role?
- What would be the public's role?

# DRAFT

## 5) Suggested CVRC Actions

- 1) Adopt a resolution and send a letter opposing the Governor's plan to the Governor and to the members of the legislature.
- 2) Recommend that the City Council adopt a resolution and send a letter of opposition to the Governor's plan to the Governor and to members of the legislature.
- 3) The key is a grass roots advocacy – at the district and the local level.

## IV. CHIEF EXECUTIVE OFFICER'S REPORTS

Redevelopment Manager Crockett advised the board that the Council was hearing the second reading for the suspension of the DIF fees for a period of five years. This would send a huge message to developers that Chula Vista was open to them for redevelopment.

## V. CHAIRMAN'S REPORTS

There was none.

## VI. DIRECTORS' COMMENTS

There were none

## ADJOURNMENT

At 5:17 p.m., Chair Lewis adjourned the meeting to the Regular Meeting of February 10, 2011 at 6:00 p.m.

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Eric Crockett, Secretary